

UNITED WAY OF PALM BEACH COUNTY, INC.
TREASURE COAST COMBINED FEDERAL CAMPAIGN

Agreed-Upon Procedures

2006 Campaign Period Ended March 31, 2008



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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors
United Way of Palm Beach County, Inc.
Boynton Beach, Florida

We have performed the procedures included in the Combined Federal Campaign Audit Guide, enumerated in the attached schedule, which were agreed to by the Office of Personnel Management ("OPM"), Local Federal Coordinating Committee ("LFCC"), and Board of the United Way of Palm Beach County, Inc. (the "UW"), solely to assist the specified parties in evaluating UW's compliance with 5 CFR Part 950 and OPM guidance during the 2006 Treasure Coast Combined Federal Campaign ended March 31, 2008 and the effectiveness of the UW's internal control over compliance with the aforementioned compliance requirements as of March 31, 2008. Management is responsible for the UW's compliance with those regulations and guidance. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed are included in the Combined Federal Campaign Audit Guide, enumerated in Attachment 1, Part 1. Findings obtained from performing these procedures are presented in the accompanying schedule of findings and questioned amounts, Attachment 1, Part II. Part III is a summary of the status of prior year's findings.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance and on the effectiveness of internal control over compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Office of Personnel Management, Local Federal Coordinating Committee and United Way of Palm Beach County, Inc. and is not intended to be and should not be used by anyone other than those specified parties.

Mayer Hoffman McCann P.C.

Boca Raton, Florida
June 2, 2008

Attachment I

PART 1 - ENGAGEMENT PROCEDURES

We have performed the procedures enumerated below as of March 31, 2008:

A. Pledge Card Tracking System

1. We selected a representative sample of 25 pledge cards from the 2006-2007 campaign. Pledge cards represent all types of donations. 15 selections were made from the pledge card tracking system and traced to the pledge cards. 10 were selected from the pledge cards and traced to the pledge card tracking system.

No exceptions were found as a result of performing these procedures.

2. We traced the following information from each pledge card to the United Way of Palm Beach County's records:
 - a. Donor Name
 - b. Charity Code number and amount donated
 - c. Total amount donated
 - d. Donor's choice to release or not to release name, home address and/or home e-mail address.

No exceptions were found as a result of performing these procedures.

3. Obtain the spreadsheet used to track and analyze payroll office receipts. Review the spreadsheet to determine that it:
 - a. Includes the amount of payroll deduction pledges by Federal Agency/Department and that it calculates an estimated amount due from each Federal Agency's/Department's payroll office by pay period;
 - b. Compares the estimated amount due from each payroll office by pay period to the actual amount received from each payroll office; and
 - c. Identified any instances where actual receipts from a Federal Agency's/Department's payroll office exceeded the estimated amount.

We found an exception as a result of the procedures. See Part II - Schedule of Findings and Questioned Amounts.

B. PCFO Budget and Administrative Expenses

1. We obtained United Way of Palm Beach County's 2006 application and reviewed it for an appropriate official's signed statement that it will:
 - a. Administer the Combined Federal Campaign fairly and equitably;
 - b. Conduct non-Combined Federal Campaign operations separately from the campaign operations;
 - c. Be subject to the decisions and supervision of the Local Federal Coordinating Committee and/or Director of the Office of Personnel Management.

No exceptions were found as a result of performing these procedures.

2. We obtained a dated copy of the Local Federal Coordinating Committee's minutes documenting their selection of the United Way of Palm Beach County as the PCFO and approving the PCFO's campaign plan and budget. We reviewed the minutes for determination whether the selection and approval were performed by the March 17 deadline.

We found no exceptions as a result of the procedure.

3. We reviewed the PCFO's budgeted expenses from the Fall 2006 campaign to determine that they are based on actual expenses and not a percentage of funds raised:
 - a. We reviewed a copy of the PCFO campaign plan from the Fall 2006 campaign, including budgeted expenses, and a detailed list of the prior year's actual expenses.
 - b. We compared the expense categories and amounts in the Fall 2006 campaign's budget to the prior year's actual expenses.
 - c. We reviewed the PCFO budget description in the Fall 2006 campaign's plan for determination that the description does not state that the budget was based on a percentage of the funds raised.

No exceptions were found as a result of performing these procedures.

4. We obtained a detailed list of actual expenses incurred and reimbursed to the PCFO for administering the Fall 2006 campaign, and traced and agreed expenses to the PCFO's general ledger.

No exceptions were found as a result of performing this procedure.

5. We compared the PCFO's actual expenses to the budgeted expenses and determined whether total actual expenses exceeded total budgeted expenses by more than 10 percent.

No exceptions were found as a result of performing this procedure.

6. We documented the PCFO's policy for campaign expense reimbursements and compared the policy to 5 CFR§ 950.106(b), which states that the PCFO should cover all campaign expenses at the start of the campaign and recover costs from the gross receipts of the same campaign.

No exceptions were found as a result of performing this procedure.

7. We selected a judgmental sample of eight actual expenses incurred by and reimbursed to the PCFO for the most recently completed campaign from the general ledger detail.
 - a. For six expenses that were not allocated, we traced and agreed the expense back to supporting documentation that contained justification that the expense was CFC related.
 - b. For two allocated expenses, we reviewed the allocation methodology to determine whether the methodology was reasonable, whether the CFC bears a fair share of costs, and whether the allocations are based on actual amounts that could be traced to and agreed to the general ledger.
 - c. We compared the title of the actual expense to the budget categories from the PCFO's campaign plan to determine that the PCFO was not charging for expenses not listed in the budget.

No exceptions were found as a result of performing these procedures.

8. Using the list of actual expenses obtained in #4, above, we determined that the PCFO had not charged the campaign for interest expense.

No exceptions were found as a result of performing this procedure.

C. Receipt and Disbursement of Funds

1. We obtained a completed "Schedule of Campaign Receipts and Disbursements" and a "Distribution Schedule" from the PCFO for the Fall 2006 campaign (see Attachment II for "Schedule of Campaign Receipts and Disbursements").
2. We traced and determined that the total campaign receipts, reimbursed administrative expenses and total campaign disbursements from the "Schedule of Campaign Receipts and Disbursements" agreed with the PCFO's general ledger and administrative expenses and total campaign disbursements to the totals on the "Distribution Schedule".

No exceptions were found as a result of performing these procedures.

3. We reviewed the "Schedule of Campaign Receipts and Disbursements" for the following:

- a. The PCFO began collecting cash receipts during the period September-December.
- b. Disbursements began in April and continued quarterly, thereafter.
- c. Total campaign receipts were distributed by the PCFO.

We found an exception as a result of the procedures. See Part II - Schedule of Findings and Questioned Amounts.

4. We judgmentally selected six representative months of campaign receipts from the "Schedule of Campaign Receipts and Disbursements," and:

- a. Traced and agreed amounts to deposits on bank statements.
- b. Determined that all deposits on the bank statements are included on the schedule.

No exceptions were found as a result of performing these procedures.

5. We reviewed and tested the distribution schedule for the following:

- a. From the "Distribution Schedule," we compared the grand total of Designated and Undesignated dollars to the Total Designated and Undesignated dollars in the pledge tracking system.
- b. From the "Distribution Schedule," we compared the Undesignated Percentage for all organizations (national, international, and local) to the Designated Percentage.
- c. We noted the PCFO does not track cash donations separately, therefore, skipped to step d.
- d. From the "Distribution Schedule," we compared the Expense Percentage to the Gross Designation Percentage.
- e. From the "Distribution Schedule," we confirmed that the Shrinkage Percentage for all organizations paid monthly is the same.

No exceptions were found as a result of performing these procedures.

6. If donors selected the I-III General Designation Option, then from the International Distribution Schedule, determine whether the III General Designation Option Funds were distributed in accordance with the regulations

We noted no donors who selected I-III General Designation Option during the 2006-2007 campaign year.

7. We performed the following procedures on the one-time disbursements:
 - a. We obtained the specific LFCC meeting minutes documenting its approval of the one-time disbursements and approval ceiling amount from the LFCC or PCFO.
 - b. We reviewed the LFCC meeting minutes to determine the LFCC's approval of one-time disbursements and ceiling amount.
 - c. From the One-Time Disbursement section of the "Distribution Schedule", we compared each of the one-time disbursement amounts to the LFCC approved ceiling to determine that all one-time disbursements were for pledge amounts below the LFCC approved ceiling.
 - d. We obtained from the PCFO, supporting documentation for the previous 3 campaigns' pledge loss and calculated the average 3-campaign period loss.
 - e. From the One-Time Disbursement section of the "Distribution Schedule", we compared the Shrinkage % for each organization to the average calculated in step 7d to determine that the average of the previous 3 campaigns' pledge loss was used.

No exceptions were found as a result of performing these procedures.

8. From the "Distribution Schedule", we selected 3 representative federations (one national, one international and one local) and 3 representative unaffiliated (one national, one international and one local) organizations, and tested the accuracy of disbursements by tracing and agreeing the canceled checks to the schedule, and determined that the disbursements began in April.

We found an exception as a result of the procedures. See Part II - Schedule of Findings and Questioned Amounts.

9. We obtained a copy of the PCFO's policies and procedures for un-cashed checks, an outstanding check list, and the PCFO's documentation of completed procedures.
 - a. We determined that there were no outstanding checks over six months old (as of March 31, 2008) related to the 2006 campaign.

No exceptions were found as a result of performing these procedures.

PART II - SCHEDULE OF FINDINGS AND QUESTIONED AMOUNTS

Procedure Reference	Area	Description of Findings	\$ Questioned	Status of Finding (prepared by PCFO)
A.3c	Pledge Card Tracking System	We identified instances where actual receipts from a Federal Agency's/Department's payroll office exceeded the estimated amount and no correspondence was documented between the PCFO with the payroll office or with OPM.	Procedural	(1)
C.3b, C.8	Receipt and Disbursement of Funds	United Way began disbursing funds in June as opposed to April as required.	Procedural	(2)

- (1) The requirement for preparation of a spreadsheet to track and analyze payroll office receipts was introduced into the Combined Federal Campaign Audit Guide published in February 2007.

Tracking and analysis of receipts from payroll offices against estimated payroll amounts was focused on instances where receipts were lower than projections. There were significant funds identified and collected as a result of this effort. The instances of possible overpayments were relatively small in dollar amounts. The PCFO was able to establish contact persons from several payroll offices and will be able to communicate overages and under-payments for the 2007 campaign. PCFO is still working on contacts for several DFAS payroll centers. We will ensure OPM is advised when we do not have DFAS contacts in 2007.

- (2) The Treasure Coast 2007 Audit Guide stated the procedure for Receipt and Disbursement of Funds. This document stated "If the campaign has contributions in excess of \$500,000.00, then the PCFO must make its initial disbursement by April 1 and monthly thereafter. For campaigns with contributions \$500,000.00 or less, the PCFO must make its initial disbursements by June 1 and quarterly thereafter".

Treasure Coast CFC had always been below the \$500,000.00 threshold and made payments beginning June 1.

The Treasure Coast 2008 Audit Guide stated the procedure for Receipt and Disbursement of Funds. This document stated "The PCFO must make its initial disbursement by April 1 and at least quarterly thereafter". The \$500,000.00 threshold and June 1 disbursement were removed from the document.

Once the PCFO became aware of this change, the PCFO contacted OPM and received direction from OPM to make their next quarterly payment by October 1 and remain on that quarterly schedule. The PCFO will make one final payment on March 31, 2008 to complete the 2006 campaign payments.

The PCFO has complied with this OPM directive.

PART III - STATUS OF PRIOR YEAR FINDINGS

Finding No 1: In an examination performed by Mayer Hoffman McCann P.C. dated June 22, 2007 and titled Independent Accountant's Report on Applying Agreed-Upon Procedures, in tests of the Pledge Card Tracking System, the PCFO did not prepare a spreadsheet to track and analyze payroll office receipts. This was a procedural finding.

Status: For the 2006 campaign, the PCFO has prepared a spreadsheet to track and analyze payroll office receipts. The PCFO is in compliance for the 2006 campaign.

Attachment II

United Way of Palm Beach County, Inc.
 Schedule of Campaign Receipts and Disbursements
 Treasure Coast Combined Federal Campaign
 2006

Month	Campaign Receipts			Campaign Disbursements				Ending Balance	
	Cash & Checks	Payroll	Interest	Total	Bank Service charges	Reimbursed Administrative Expenses	Disbursements to agencies		Total
Sep-06				\$0				\$0	\$0
Oct-06	\$117			\$117					\$117
Nov-06	\$2,724			\$2,724					\$2,841
Dec-06	\$14,320			\$14,320					\$17,161
Jan-07	\$2,983	\$4,492		\$7,475					\$24,637
Feb-07	\$27	\$33,023	\$153	\$33,202					\$57,839
Mar-07	\$200	\$44,843	\$103	\$45,145					\$102,984
Apr-07		\$32,260	\$161	\$32,421					\$135,405
May-07		\$31,678	\$230	\$31,908					\$167,313
Jun-07		\$35,101	\$44	\$35,145		\$66,834	\$87,743	\$154,577	\$47,880
Jul-07		\$31,630	\$102	\$31,732					\$79,612
Aug-07		\$42,702	\$152	\$42,854					\$122,466
Sep-07		\$30,715	\$182	\$30,898					\$153,364
Oct-07		\$30,680	\$64	\$30,745		\$3,791	\$129,310	\$133,101	\$51,007
Nov-07		\$34,149	\$91	\$34,240					\$85,247
Dec-07		\$30,352	\$154	\$30,506					\$115,753
Jan-08		\$25,839	\$104	\$25,943			\$57,910	\$57,910	\$83,786
Feb-08		\$0		\$0					\$83,786
Mar-08		\$14,858		\$14,858		\$5,000	\$93,644	\$98,644	\$0
TOTAL	\$20,372	\$422,322	\$1,539	\$444,233	\$0	\$75,625	\$368,608	\$444,233	\$0